

FORM MR-TRS
Revised December 9, 2007
TRANSFER INTENT FORM

Mine Name: HEB MINE

New Permit Number: 50190063

Date Issued: _____

Other Agency File Number: _____
(DIVISION USE ONLY)

TASK ID# 2886

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

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APPLICATION FOR TRANSFER
OF
NOTICE OF INTENTION
(FORM MR-TRS)

This Application For Transfer of Notice of Intention (Application) is submitted by, (Transferor) HEB MINING INC who is the current operator of Notice of Intention to Conduct Mining Operations (NOI), permit number (NOI File Number); 50190063 and by, (Transferee) RED CLIFF MINING INC who is requesting approval of the Division to assume the obligations of Transferor and to be Operator of the NOI. The Notice of Intention, Transferor, and Transferee governed by this Application are more fully identified on the attached Fact Sheet.

1. Operator agrees to transfer the rights and obligations to operate under the terms of the NOI to the Transferee, The Transferor does not intend to retain any rights to conduct mining operations within the area covered by the NOI, unless provision, 2a. is initialed.
2. The Transferor is assigning a portion of the lands associated with the NOI, and therefore subject to adherence to the additional conditions:
 - a. Initials: _____ Transferor hereby indicates that he/she intends to retain the right to conduct mining operations on a portion of the lands included in the NOI;
 - b. The Division must determine that the retained lands can be mined and reclaimed independently of the lands identified to be transferred by this Application.

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DIV. OF OIL, GAS & MINING

- c. The lands that Transferor intends to retain and access to the lands will be clearly identified by amending the NOI and associated maps prior to Division approval of this transfer.
 - d. Both Transferor and Transferee understand that in addition to the requirements of the Transferee, the Transferor must modify or replace the NOI, and have a Division approved surety and reclamation contract before the Transfer receives Division approval.
3. Transferee and Transferor understand the transfer of the ***NOI is not complete until all the applicable requirements are met***, including the Transferee submittal and Division approval of the amended NOI, reclamation surety and reclamation contract.
 4. Initials of Transferee: VLB Transferee has read and has a copy of the current NOI and mining and reclamation plan.
 5. Transferee shall conduct mining operations on lands included in the NOI in accordance with the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (2005, as amended) (hereinafter referred to as "Act"), the regulations adopted pursuant to the Act, and the Mining and Reclamation Plan (if any) and other conditions of the NOI as currently approved.
 6. The Transferee shall provide a surety in a form and amount approved by the Division or the Board of Oil, Gas and Mining (Board) to assure reclamation of the lands affected by the mining operations.
 7. Transferee assumes full responsibility to inspect the proposed site and mining operations and to be fully knowledgeable of all existing conditions. The Transferee is responsible for compliance with the conditions of the permit and the obligations regardless of the nature of the conditions at the site, the nature of the operations, and any lack of knowledge of any latent or apparent conditions.
 8. Transferor continues to be liable for compliance with all of its obligations under the current NOI until (a) the Transferee replaces or modifies the NOI as required and determined complete by the Division; (b) the Transferee executes a reclamation contract in the form provided by the Division agreeing to complete the work as set out in the NOI, the Act, and the regulations; and (c) the Transferee submits an acceptable surety and the surety is approved by the Division or the Board as required.
 9. After all of these conditions of provision 8 have been satisfied the transfer will be approved by the Division and the Transferee will be the Operator for the NOI.

The signatory below represents that he/she has authority to execute the same and that the Operator/Transferor, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah,. I have read the application and fully know the contents thereof; that all statements contained in the application are true to the best of my knowledge and belief.

OPERATOR:

H & B MINING INC.
Operator/Transferor Name

By ELMER HEINRICH
Authorized Officer (Typed or Printed)

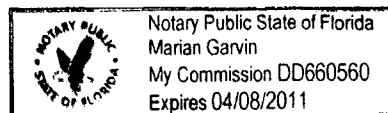
PRESIDENT
Authorized Officer - Position

[Signature] 2-11-09
Officer's Signature Date

STATE OF FLORIDA
COUNTY OF Palm Beach ss:

On the 11th day of FEBRUARY, 2009, ELMER HEINRICH personally appeared before me, who being by me duly sworn did say that he/she is an OWNER (owner, officer, director, partner, agent or other (specify)) of the Operator ~~ELMER~~ H & B MINING and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Marian Garvin
Notary Public
Residing at 200 Adanels Cove Blvd Jupiter FL 33477
04/08/2011
My Commission Expires:



The signatory below represents that he/she has authority to execute the same and that the Operator/Transferee, if not a natural person, is a properly organized entity in good standing under the laws of Utah and the United States, is registered as an entity authorized to do business in the State of Utah. I have read the application and fully know the contents thereof; that all statements contained in the application are true to the best of my knowledge and belief.

OPERATOR:

RED CLIFF MINING INC.
Operator/Transferee Name

By JOHN L. BYARS
Authorized Officer (Typed or Printed) PRESIDENT

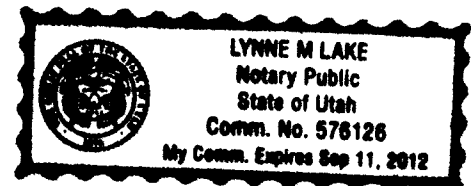
Authorized Officer - Position

John L. Byars 2-10-2009
Officer's Signature Date

STATE OF UTAH
COUNTY OF EMERY) ss:)

On the 10 day of FEBRUARY, 2009, JOHN L BYARS personally appeared before me, who being by me duly sworn did say that he/she is an OFFICER (owner, officer, director, partner, agent or other (specify)) of the Operator RED CLIFF MINING and duly acknowledged that said instrument was signed on behalf of said Operator by authority of its bylaws, a resolution of its board of directors or as may otherwise be required to execute the same with full authority and to be bound hereby.

Lynne M. Lake
Notary Public
Residing at Emery, UT
My Commission Expires: 9-11-12



FORM MR-TRS
FACT SHEET 1

(This page to be completed by Transferor/current operator)

General Information:

Existing Notice of Intention Number: 50190063 (Division issued)

Mine Name: H & B MINE

Lands to be transferred as shown in the NOI and any revisions/amendments: 640 ACRES

Surface Owner: SITLA

Mineral Owner: SITLA

UTU and/or ML number: ML-50572 (if surface or mineral is BLM/SITLA)

Transferor Information (Current Operator):

Operator Name: H & B MINING INC.

Operator mailing address: 119 SPINNAKER LN, JUPITER, FL 33477

Operator telephone: 561-747-1157

Operator email: EGHEINRICH@AOL.COM

Operator fax: 561-747-6793

Contact person name: ELMER HEINRICH

Contact person title: PRESIDENT

Contact person telephone: 561-747-1157

Contact person email address: EGHEINRICH@AOL.COM

Transferee: Please initial page 2, Provision 4

**FORM MR-TRS
FACT SHEET 2**

(This page to be completed by Transferee/new operator)

General Information:

Notice of Intention Permit Number: 50190063 (Division issued)

Lands to be transferred: 640 ACRES

Transferee Information:

Successor Operator Name: RED CLIFF MINING INC.

Successor Operator mailing address: P.O. BOX 576 EMERY, UT. 84522

Successor Operator telephone: 1-435-286-2228 - 435-286-2460

Successor Operator email: JL BYARSTEC@YAHOO.COM

Successor Operator faxes: 1-435-286-2471

Contact person name: JOHN L. BYARS

Contact person title: PRESIDENT - OFFICER

Contact person telephone: 435-630-6349

Contact person email address: JL BYARSTEC@YAHOO.COM

Tax ID or Social Security (TAX ID required unless individual): [REDACTED]

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Existing Surety Amount Transferor: _____
New Surety Amount Transferee: _____
Transfer Acres: _____
Partial Transfer: yes _____ no _____